IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.200 OF 1998

The Commissioner of Income-tax,
Bombay City - III, Bombay .. Applicant.
V/s.
M/s.Applied Electronics Ltd., .. Respondent.

Mr.A.S. Rao for the applicant.

CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.

DATED : 11TH OCTOBER, 2005.

P.C. :

1. Heard the learned counsel for the applicant. The Tribunal has referred following question for the opinion of this Court reading as under :-

> Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that the disallowance in respect of the remuneration paid to Director-employee should be computed by applying the provisions of sec.40(c) of Income-tax Act and not by applying the provisions of sec.40(c) of Income-tax Act and not by applying the provisions of section 40A(5) of the Income-tax Act ?

2. The above question has already been answered by the Division Bench of this Court in the case of **CIT V/s. Hico Products P. Ltd. (No.1) [(1993) 201 ITR 567 (Bom)]** in favour of the assessee and against the revenue. In this view of the matter, question stands answered in affirmative for the reasons stated in the case of Hico Products P. Ltd. Reference, accordingly stands disposed of with no order as to costs.

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